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August 18, 1995

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VIA HAND DELIVERY

Mr. William F. Caton
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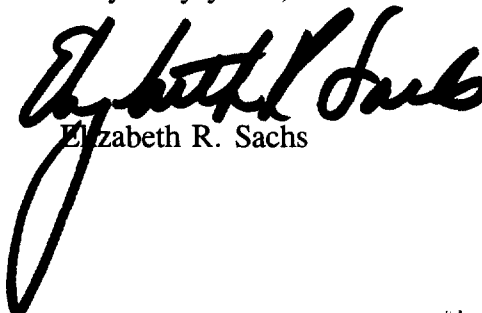
Re: **PR Docket No. 93-144**
Ex Parte Presentation
Centennial Telecommunications, Inc.

Dear Mr. Caton:

On behalf of Centennial Telecommunications, Inc., we are submitting herewith a written ex parte presentation in the above-entitled proceeding. Attached are its comments on certain issues raised in that proceeding with respect to the concept of "system comparability." Four copies of this presentation are being submitted to the Secretary for inclusion in the Docket record.

Kindly refer any questions or correspondence to the undersigned.

Very truly yours,


Elizabeth R. Sachs

ERS:cls
Enclosure

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Federal Communications Commission
2025 M Street, N.W. Room 5202
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AUG 18 1995

**Re: Ex Parte Comments
PR Docket No. 93-144
Centennial Telecommunications, Inc.**

Dear Ms. Allen:

Centennial Telecommunications, Inc. ("CTI"), pursuant to Section 1.1206(a)(1) of the Federal Communications Commission ("FCC" or "Commission") Rules and Regulations and by counsel, hereby submits this written ex parte presentation in the above-entitled proceeding.¹ CTI requests that the Commission consider the following comments on certain issues raised in that proceeding with respect to the concept of "system comparability" as that term might be defined for channel migration purposes and matters relating to already granted authorizations for extended implementation of SMR systems.

¹ Further Notice of Proposed Rule Making, PR Docket No. 93-144, 9 FCC Rcd ___, FCC 94-271, 59 FR 60112 (November 22, 1994).

I. INTRODUCTION

CTI is the founding and general partner of Centennial Telecommunications Midwest, L.P. which was formed to bring advanced digital SMR service to secondary markets, primarily in an eight-state area in the Midwest. The Company's senior managers have extensive operating and financial experience in the cellular, SMR and ESMR industries. The Company also benefits from a strong group of participating licensees who also have in-depth knowledge and hands-on operational familiarity with these, and other, wireless businesses. CTI and each of these participating licensees² obtained extended implementation authority from the FCC to develop and implement a wide-area digital SMR network in the States of Iowa, Illinois, Indiana, Michigan, Missouri, Minnesota, Ohio and Wisconsin. The officers, directors, and employees of CTI and its partners bring extensive wireless telecommunications experience to this project, including SMR and cellular system design, implementation and operating expertise.

CTI and the other participants in its wide-area digital network share a conviction that, if permitted to do so, the marketplace will work to ensure the provision of competitive offerings to the public. Entrepreneurs, rather than the Federal Government, should determine what mix of offerings are optimal for particular customer bases. They urge the Commission to adopt rules that permit serious, qualified operators, those with a commitment to and an investment in the mobile wireless industry, to implement a high-quality, high-capacity and cost-efficient service that will provide communications capability into the next century.

The 800 MHz wide-area proceeding identified above has generated considerable debate within the SMR community. Until it is resolved, there will be substantial uncertainty about the future regulatory framework governing this industry. Among the critical matters to be resolved are how the Commission intends to treat already-granted SMR extended implementation SMR systems and whether the agency will adopt so-called "mandatory migration" provisions whereby winners of the proposed 800 MHz wide-area auctions will be permitted to relocate incumbents from the upper 200 SMR channels to other 800 MHz spectrum.

Resolution of these and other vital issues in this proceeding will permit entities such as CTI to proceed promptly toward the complex task of planning, implementing and operating an extensive, wide-area network. Therefore, CTI offers the following suggestions regarding approaches it believes the Commission should consider.

² See Exhibit A for list of participating entities.

II. DEFINITION OF "FULLY COMPARABLE ALTERNATIVE FREQUENCIES"

One of the more controversial matters in the FNPR was the FCC's request for comments on a recommendation by Nextel Communications, Inc. ("Nextel") that would permit mandatory migration by wide-area auction winners of incumbent licensees operating on the frequencies in the 861/865 MHz SMR band. The FCC did not adopt that proposal, but did solicit comments on it. As defined in the FNPR, this approach would include a period for voluntary negotiations prior to mandatory relocation to "fully comparable alternative frequencies" if available, with all relocation costs to be paid by the wide-area licensee. If frequencies satisfying this criteria were not available, relocation could not be required.

It is not clear at this stage of this proceeding whether CTI is more likely to be a wide-area auction licensee or simply an incumbent. In either case, CTI is not persuaded that mandatory relocation provisions are necessary to achieve the Commission's objectives for this band. However, if such an approach is adopted, it is imperative that the Commission describe with specificity what elements it would consider in determining whether the replacement spectrum provided "fully comparable alternative frequencies" and how it would define the facilities that constituted a "system" to be relocated. The FCC referenced its decision in the Emerging Technologies proceeding as a model for a mandatory relocation approach.³ However, the FNPR does not otherwise specify how it would define either systems or comparability for this purpose.

From CTI's perspective, and, it believes, from the perspective of numerous other SMR licensees operating in this band, these definitions are critical. For example, the traditional 800 MHz trunked SMR system was assigned frequencies separated by one megahertz. This separation between frequencies facilitated channel combining and thus reduced system implementation costs and complications while enhancing system performance. Licensees desiring to replicate their current operations on the replacement spectrum presumably would consider substitute channels with a lesser separation as not comparable unless, perhaps, comparability could be achieved through other technical means.

By contrast, CTI's ongoing review of potential technology choices has indicated that the use of contiguous spectrum will be essential if it is to achieve optimal spectrum efficiency in its intended system design. Individual partners are preparing to initiate efforts to secure spectrum contiguous to that for which they are already licensed at not insignificant acquisition cost. If they do so, but the participating facilities subsequently may be relocated to non-contiguous spectrum in other portions of the 800 MHz band, CTI will be unable to implement its desired system design.

³ 47 C.F.R. § 94.59.

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In the ET proceeding, the Commission cited, *inter alia*, system reliability, capability, speed, bandwidth, throughput, overall efficiency, bands authorized for such services, and interference protection as factors it would consider in determining comparability.⁴ Nonetheless, the agency anticipated that its goal of facilitating rapid implementation of new services in the emerging technology bands would be accomplished most efficiently by providing flexibility in the relocation process. Therefore, the FCC declined to adopt a rigid definition of comparability, but instead opted to allow the parties in each case to negotiate a mutually agreed upon definition of comparability.⁵

As the FCC has learned already from the negotiations between PCS auction winners and incumbent microwave licensees, this expectation has not always been met. A substantial number of disagreements have arisen regarding comparability despite enumeration of the factors cited above. The FCC should attempt to avoid, or at least minimize, the number of such disputes if it elects to permit migration of SMR systems. While CTI agrees that the broad variety of SMR system designs and operational capabilities dictate against adoption of a rigid formula for assessing comparability, there are certain critical factors common to all such systems. Thus, since the issue of channel spacing is clearly relevant to all 800 MHz incumbents, whether their individual need is for sufficient separation or contiguous channel assignments, the FCC should specifically include this criteria in its definition of "fully comparable alternative frequencies". Because the value of an SMR operation is highly dependent on the coverage capability of its facilities, comparability in this band also should be defined as equivalent or superior coverage of the existing service contour, or composite contours of participating stations if multiple facilities are involved.

It is equally important to CTI, and it assumes to all incumbent licensees, including those anticipated to prevail in an auction, that mandatory relocation **not** permit "cherry-picking" among facilities or even frequencies in a system. Incumbent licensees, irrespective of their current channel positions, would be ill-served by a regulatory policy that would permit the wide-area licensee to retune facilities within a system on a selective basis. Selective retuning would enable the wide-area licensee to use mandatory migration as an inexpensive means of impeding a competitor's business activities, rather than as a vehicle to achieve improved spectral efficiencies in its own operation. Particular stations or frequencies might be targeted for retuning precisely because they are critical to the competitor's overall system design. Changing individual frequencies or facilities within an integrated system could disrupt totally the

⁴ Third Report and Order and Memorandum Opinion and Order, 8 FCC Rcd. 6589, 6603 at ¶ 36.

⁵ Id.

implementation or operation of a network's frequency plan. Authority to do so repeatedly over time could destroy any existing competitors and would discourage the development of alternative offerings in this band.

Therefore, CTI would define its proposed "system" as including all licenses issued to entities participating in the network. Further, any party which enters into a joint marketing agreement or management agreement with CTI or one of the other participants, whereby the spectrum of such party would be attributable under Section 20.6 of the FCC's rules, would be considered part of the system. The definition of system must encompass the concept of integrated operations and networking even if licenses for individual facilities are in various participating entities' names.

III. RESTRICTIONS ON EXTENDED IMPLEMENTATION AUTHORIZATIONS

In the FNPR, the Commission sought comment on the treatment of SMR licensees which have been authorized extended implementation schedules in connection with the implementation of wide-area systems. Specifically, the FCC questioned whether such licensees should be permitted the full period authorized to construct their systems. It also queried whether SMRs with extended implementation authority should be required to submit detailed showing confirming that construction was proceeding consistent with the approved implementation schedule. It is CTI's understanding that the Commission is considering reducing these extended implementation periods for all such systems, whether the authorizations were issued on an unconditional or conditional basis.

CTI recognizes that the agency must balance the practical considerations associated with implementing an integrated network of significant scope with the need to ensure that scarce spectrum is not being warehoused. In CTI's opinion, this balancing must take into consideration the difficulties created by the various 800 MHz freezes imposed by the FCC which have prevented licensees from relocating facilities or frequencies in response to evolving system design considerations, the uncertainty associated with the proposed restructuring of the entire 800 MHz regulatory framework, and the very limited availability of digital equipment. In light of these factors, it appears that a twenty-four month system implementation period, or the length of time still available under the extended implementation authorization, whichever is shorter, from the effective date of the revised rules would be sufficient to satisfy the requirements of all qualified system operators. Parties seeking to obtain this twenty-four month period should be required to submit documentation that provides (1) evidence of an ability to finance implementation of the proposed network, and (2) evidence of a specific construction/implementation plan consistent with the time period requested.

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IV. CONCLUSION


CTI is committed to, as well as financially and technically qualified to, implement and operate the digital wide-area network for which it has obtained extended implementation authority. It has identified a technology approach that promises to provide the highly efficient, feature-rich service it intends to offer, and for which equipment is scheduled to be available on a timely basis.

CTI intends to proceed aggressively in securing the resources it will need to build-out its proposed system, including spectrum resources. It urges the Commission to proceed expeditiously to finalize the above-entitled proceeding, and to adopt rules consistent with the view expressed herein.

Respectfully submitted,

Centennial Telecommunications, Inc.

By:


Elizabeth R. Sachs

ERS/clb

Exhibit A

Participating Entities

Atlantic Cellular Company, L.P.

Boston Communications Capital Corp.

Dowden Cable Management, L.P.

JCC Ltd.

Cass Cable T.V., Inc.

Palmer Communications, Inc.

Centennial Telecommunications, Inc.

Sportstracker, Inc.

Lahey & Associates

The Hawthorne Group

Sunrise Communications, Inc.